Mack F. Blankenship Jr.

12/4/2009

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave., NW
Washington, D.C. 20511

Dear Ms. Johnson,

I've been a mortgage loan officer and manager for nearly sixteen years and I'm writing today to present my comments to a proposed amendment to Regulation Z to limit mortgage originator compensation by fixing the compensation paid by the lender.

I realize a need for change and regulation was warranted in our industry. It is really unfortunate that we could not find it within our own leadership to implement new regulations to stymie fraud and deceptive practice or enforce regulations (i.e. Truth-in-Lending Disclosure) that were already written. I believe from what I'm experiencing on a daily basis that the regulations implemented recently have created a mortgage market that should gradually return to health. Further implementation of new regulations without evaluation of those already implemented could create an over-regulated environment. For example: A large institution such as Bank of America, where their mortgage consultants are normally paid a flat-fee or salary have very little incentive to deliver a higher level of service than an originator such as myself who lives and dies by it. I closed a loan in November of this year that was transferred from the aforementioned institution because they just did not have the capacity or incentive to complete the loan in a timeframe that met the client's needs. And I would venture to guess the consumer paid me more, but by the same token the consumer received a higher level of service and his transaction was completed on time. If you require compensation to be fixed on a loan no matter the terms, you'll take out the service incentive rather than increase it. You'll be fixing prices, not the mortgage industry.

Cordially,

Mack F. Blankenship Jr.